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An Asset Based Mental Model of Seriousness

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Abstract:

These three factors—managerial cognition, external environmental change, and a company's competitiveness are examined together in this research using a resource-based model. A conceptual framework defining cognitive framing is constructed by looking at linkages between various managerial activities performed to build or adjust capacities. Cognition and learning, strategy, competence and performance are all linked through this paradigm. The role of cognition in a company's resource base reconfiguration is discussed in this article. This study also looks at how well a corporation can acquire, organize, and change its resources in terms of managerial cognition. As a result of the research findings, it has been concluded that management cognition is developed via the acquisition of knowledge from a variety of sources including the organization itself and external sources such as clients and employees. Based on interviews and recorded assessments of Singapore-based design service businesses, the study hypotheses are evaluated using qualitative empirical data acquired from these organizations. Knowledge management practices must be flexible and ongoing to maintain a firm's competitive advantage over its rivals, according to the study findings.

1. Introduction

Before long, many of Singapore's small and mid-sized design businesses were predicting their demise due to a reduction in cross-border protection for their professional services as a result of Singapore's early 2000s signing of Free Trade Agreements (FTAs) (Low, 2000). Freeing up trade barriers and reducing protectionism for the island-domestic state's sector sparked fears that small businesses would be overtaken by

bigger, global corporations establishing a regional presence on the island. Local businesses would either be compelled to merge or fail in such a circumstance. These fears were unjustified, as it turned out. Using the Resource-Based Theory (RBT), we may better understand how Singaporean businesses have been able to thrive in unpredictable and difficult times by focusing on intangible assets.

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2. What you need to know about the theoretical and conceptual framework

Competitiveness and competitive advantage were strategic goals for enterprises throughout the world during the industrial revolution. In spite of countries' efforts to become more competitive, certain corporations struggled to gain a foothold in specialized markets. In many firms, the value of human capital was understated, and human capital was not considered a decisive element in a company's competitiveness. A company's fundamental problem is to maintain its competitiveness despite the fact that it can obtain an edge through partnerships, technology, or a new strategic approach. To preserve the value provided for the customers of an organization's customers, it is necessary to have an engaged, competent and innovative staff. Managers, according to the author, are in charge of creating an atmosphere that fosters the development of human capital. It is possible to maintain a competitive advantage over the long term through enhancing employee education, involvement, and motivation.

Resource-based theory is one of the most relevant theories for understanding organizational behavior that focuses on human capital. Firms can get an edge over their competitors by using this principle (1). Organizational approaches for managing human capital, managerial cognition, and tactics for establishing a proactive human resources system and viewpoint are all discussed in this report.

This study defines a sustained competitive advantage as a non-duplicable advantage (2) that generates high market value. Competitive advantage is typically fueled by strategic decisions made by the company's leaders and/or management. Resource-based management emphasizes the importance of resources, capabilities, and expertise in developing strategic plans that lead to long-term competitive advantage (3). Managerial cognition, a mental process, is another theory that influences the creation and execution of effective strategies.

Management cognition and higher-order capacities to build or rearrange bundles of resources that produce value over time are increasingly seen as the key to an organization's long-term success (4). With this consensus, dynamic capabilities theory has been integrated into resource-based theory and the argument that resource-based theory is a static equilibrium-based model has been addressed.

According to Korvenoja, the environment has a significant impact on our cognition and our ability to make sound decisions. Decision-making is a complex process that involves a number of factors, including

environmental factors, cognitive, and the management cognition. Internal and external processes are strongly influenced by a manager's perceptions of the external world (ex: learning, R&D, innovation of resources and capabilities). As with the company, managers are impacted by their surroundings. Continuous learning from the organization's external and internal environments enhances managerial cognition.

2.1. Managerial Cognition and Resource-Based Theory

Originally proposed by Wernerfelt, the resource-based theory holds that industry-wide inter-firm performance gaps are caused by the heterogeneous resource endowments and competitive advantages of individual firms, as well as the inability of their competitors to replicate, acquire, or substitute for these advantages. For example, the theory of resource-based competitiveness states that resources are only significant if they meet the criteria of value rarity, inimitability and nonsubstitutability (VRIN) (6). Resource-based theory is predicated on the premise that businesses are merely conglomerates with a restricted ability to move their resources around (7).

To further understand how a firm's resources influence its resource-based renewal, additional research is needed into the linkages between dynamic capacities and management cognition. Organizational learning procedures help companies codify and translate information into knowledge that is shared across the business (8).

3. Method

Is it possible for a company's capacity to learn, gather, and adapt resources and skills affected by changes in the external environment? Proposals for the following theories are made:

- H1: Organizational dynamic capabilities serve as a medium via which shifts in management cognition affect the firm's operational capabilities.

- H2: Only if a continual learning process and prior experiences are modified may a cognitive phenomena respond to competitive maneuvers and impact the competitive advantage of the organization.

3.1. Hypothetical Model

After thoroughly reviewing the available literature, a hypothetical model of

cognition and capability is constructed to serve as an adequate illustration of the problem at hand. Their original model is extended to explain the linkages between cognition, learning, strategy, capacity, and performance. They've done this by extending their model.

This study's hypothetical model, which is based on Eggers and Kaplan's model, emphasizes the significance of learning for organizational effectiveness. Rather of focusing just on organizational performance, the model provides an enhancement to Eggers and Kaplan's model by emphasizing on the firm's long-term competitive advantages, rather than simply focusing on short-term results.

3.2. Approach

Multiple Singaporean design service businesses were involved in an intensive field research to gather comprehensive data on the phenomenon's many facets. How and why does a phenomena show itself in the actual world can be answered through case studies in the social sciences. An explanatory case study is used to investigate how and why managerial cognition affects organizational performance under volatile conditions (9).

3.4. Data Collection Process

An assortment of sources, including 15 interviews, memoranda and papers from various businesses, and the websites of other organizations, were utilized to generate data for this study. On the basis of the scant research that has been done so far, it is possible to deduce that customer happiness and loyalty are some of the most important determinants of total online brand equity in the e-retail sector.

Customers' attitudes regarding online retail companies are the focus of this study, which takes into account the surrounding context. After interviewing

The branding literature hasn't given enough emphasis to the need of developing brand equity through the development of consumer trust in the brand. Brand equity is essentially a relationship asset, therefore maintaining customer trust is critical to maintaining the value of the brand.

The researcher serves as a tool for the purposes of developing the study protocol and collecting, analyzing, and assessing data for case studies. A number of precautionary measures must be implemented in order to prevent researcher bias and to guarantee rigor. Qualitative research principles such as triangulation and theoretical saturation were applied to the hypotheses produced from the literature study.

3.3. Sample

The author employed both theoretical and practical methods to support the hypothesized model and provide a response to the study's central topic. The study was based on five literature instances that focus on the management cognitive process and organizational resource-based approach. This study relied on data saturation to guarantee that the results were replicated exactly as they were found (collection of data to the point of repetition or similar data). participants, we supplied them with a draft case study report and a timetable so that they could check for any errors and make revisions to the transcripts.

Each participating company had semi-structured interviews done with a senior manager from each of its departments. Between November 2014 and January 2015, the interviews were conducted in Singapore.

As part of the interview process, interviewees were asked to explain organizational changes that happened during periods of fast, unforeseen change. It was possible to learn a lot about how businesses think, act, and

react by listening to what participants had to say about their experiences and how their perspectives changed as a result.

Analysis

In order to assure a word-for-word transcription of interviews, recordings were played back and the transcripts were compared. In order to appropriately represent the events that were captured throughout the interviews, timelines were created. They were sent for review by the interview participants in order to ensure the correctness and reliability of the transcripts. The finished transcripts were then imported into NVivo 10.

Analytical generalization boosts the rigor and potency of findings in case study research. Analytic generalization approaches were used to begin data analysis once the data had been loaded into NVivo 10 to construct an investigation database. Managers' cognitions were evaluated in each case to discover how they influenced second-order capacities and the dynamic and operational capabilities of companies. Cross-case analysis was the next step in the process of discovering Accordingly, it is necessary to provide a brief history of Singapore's design businesses. Knowledge-intensive, low-capital-concentration, and highly-skilled employees are the hallmarks of design service organizations (10). Nearly eighty-four percent of the country's total design service businesses employed up to 100 individuals, and these firms were responsible for around seventy-nine percent of the total industry revenue. Management cognition of situated knowledge, according to the present study's literature assessment, is how managers make sense of a company's resource base. In order to test the significance of the direct impact, we first used the bootstrapping approach

any parallels or differences between the five instances.

Deconstructing data began by coding the data so that patterns and themes could be discovered. In order to derive meaning and understand research findings, the themes and patterns in the data were matched to the study's hypotheses and then rebuilt.

The results of the research show that the hypotheses are correct. Based on our findings from the interviews, it appears that a company's capabilities and strategic choices are directly influenced by shifts in management cognition brought about by the learning process. Prior experience is crucial for strategic decision-making, but managers feel that prior experience is not enough to build leadership traits and make the proper strategic option. According to this article's theoretical model, cognitive processes may respond to competitive maneuvers and aid to select the right strategic judgment only if prior experience is updated and a knowledge management strategy is developed.

4. Discussion of Findings

service

to examine it without the mediator variable in the PLS path model. Mediating effects aren't there when a factor's direct impact is negligible. Using these findings, we conclude that trust has a direct influence on brand equity without satisfaction as a mediator, thus we proceed to examine the indirect effect.

Managerial cognition and dynamic capacities are strongly linked to knowledge accrual from the external world, according to the findings. Each company's network was a major source of information about the market. Everyone in management said that their

prior personal experiences aided them in identifying problems (12) and seeing opportunities strategically, which gave them the knowledge they needed to manage relationships.

Each example's resource base renewal and capability assembly methods were unique to that case. There aren't any formal systems in place for building capabilities, therefore the majority of it is done through trial-and-error methods that are shaped by the unique circumstances of each company. An examination of the case studies reveals that management cognition plays an important role in a firm's competitiveness. There is a strong correlation between the value of knowledge assets and feedback loops in enhancing the knowledge. The findings of the study reveal that internal information from the employee's perspective is critical to the organization's ability to achieve its fundamental competencies. Interviewees believed that employee performance is closely linked to the ability of managers to share and adapt knowledge management practices.

Using their knowledge of the company's strategic purpose, managers developed a concept of the potential value of the company's routines. For the companies, this vision of management attentiveness offered a deliberate interpretative process essential for capability assembly to take place. Managers' ability to identify and seize on new possibilities was based on their extensive past experience and training. To build capabilities from routines and resources at companies, it was essential to first identify the goal of the capability deployment.

Knowledge acquisition and integration within the company were impacted in every case by management cognition.. Firms' resources and capabilities were renewed through dynamic capabilities

regardless of how they altered, regardless of how their resource base components were restructured. As a result, this is consistent with the research that shows how management cognition influences a company's ability to adapt to external changes. Whether directly or indirectly, dynamic capacities were shown to promote and enable company growth and competitiveness in all circumstances. A company's value-creating operational capabilities were affected as a result of acquiring new knowledge from the external markets and assembling or changing its dynamic capabilities.

It's also clear from the results that the hypothetical model is logical. When asked, all of the managers said they felt it was impossible to maintain a competitive advantage without implementing a long-term knowledge management strategy. Skills growth should be an ongoing process for those who want to reproduce their own experiences. Thus, it may be inferred that the external environment causes the demand for skill enhancement. At the same time, the organization's internal viewpoints emphasize the shortcomings that must be overcome.

This study found a consistent set of cognitive and learning processes in the formation of dynamic capacities, even if they differed from case to instance. Technology investments, client input, new organizational leaders and visionaries, acquisitions of suppliers or organizations that may support the development of organizational capabilities and resources were all employed during the cognitive process to generate and absorb new knowledge and information.

5. Limitations and Conclusion

To address the need for an empirical evaluation of the influence of management cognition and learning on the assembly of capacities in businesses (13), the current study employs a micro-foundational

theory of resource-based theory and dynamic constructs viewpoint on cognition (14). Capability purpose, salience, assembly process, and hierarchical differentiation of capabilities are all supported by these studies.

In light of Singapore's fast altering socio-economic milieu, the decision to focus on design services businesses was an obvious one. Organizational leaders, managers, and policymakers in Singapore may learn a lot about how environmental disruptions affect managerial cognition and the regeneration of a company's resource base from the design services industry. There is a wide range of intangibility, inseparability, customizability, and capital intensity among the design firms that make up the creative cluster. Design firms

are a diverse set of companies.

Using resource-based theory and dynamic frameworks, this study sheds light on how a company's operational environment triggers change as new information is gained and absorbed. To be an effective manager, managers need to be able to have a clear understanding of their own capabilities, as well as the importance of their own capabilities to the organization. Using these training programs, companies may encourage the development of management cognitive skills that raise the importance and purposeful use of capabilities while also expanding their knowledge of the capacity assembly procedure.6. References

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